

ASSEMBLY BILL

No. 1973

Introduced by Assembly Member Bermudez

February 9, 2006

An act to amend Section 337j of the Penal Code, relating to gaming.

LEGISLATIVE COUNSEL’S DIGEST

AB 1973, as introduced, Bermudez. Gambling control.

Existing law relating to legalized gambling defines and regulates controlled games. Existing law prohibits a player fee from being calculated as a fraction or percentage of wagers made or winnings earned. Existing law also authorizes flat fees on each wager to be assessed at different collection rates, but no more than 3 collection rates may be established per table.

This bill would increase that amount to 5 collection rates per table.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 337j of the Penal Code is amended to
2 read:

3 337j. (a) It is unlawful for any person, as owner, lessee, or
4 employee, whether for hire or not, either solely or in conjunction
5 with others, to do any of the following without having first
6 procured and thereafter maintained in effect all federal, state, and
7 local licenses required by law:

8 (1) To deal, operate, carry on, conduct, maintain, or expose for
9 play in this state any controlled game.

1 (2) To receive, directly or indirectly, any compensation or
2 reward or any percentage or share of the revenue, for keeping,
3 running, or carrying on any controlled game.

4 (3) To manufacture, distribute, or repair any gambling
5 equipment within the boundaries of this state, or to receive,
6 directly or indirectly, any compensation or reward for the
7 manufacture, distribution, or repair of any gambling equipment
8 within the boundaries of this state.

9 (b) It is unlawful for any person to knowingly permit any
10 controlled game to be conducted, operated, dealt, or carried on in
11 any house or building or other premises that he or she owns or
12 leases, in whole or in part, if that activity is undertaken by a
13 person who is not licensed as required by state law, or by an
14 employee of that person.

15 (c) It is unlawful for any person to knowingly permit any
16 gambling equipment to be manufactured, stored, or repaired in
17 any house or building or other premises that the person owns or
18 leases, in whole or in part, if that activity is undertaken by a
19 person who is not licensed as required by state law, or by an
20 employee of that person.

21 (d) Any person who violates, attempts to violate, or conspires
22 to violate this section shall be punished by imprisonment in a
23 county jail for not more than one year or by a fine of not more
24 than ten thousand dollars (\$10,000), or by both imprisonment and
25 fine. A second offense of this section is punishable by
26 imprisonment in a county jail for a period of not more than one
27 year or in the state prison or by a fine of not more than ten
28 thousand dollars (\$10,000), or by both imprisonment and fine.

29 (e) (1) As used in this section, "controlled game" means any
30 poker or Pai Gow game, and any other game played with cards or
31 tiles, or both, and approved by the Division of Gambling Control,
32 and any game of chance, including any gambling device, played
33 for currency, check, credit, or any other thing of value that is not
34 prohibited and made unlawful by statute or local ordinance.

35 (2) As used in this section, "controlled game" does not include
36 any of the following:

37 (A) The game of bingo conducted pursuant to Section 326.5.

38 (B) Parimutuel racing on horse races regulated by the
39 California Horse Racing Board.

1 (C) Any lottery game conducted by the California State
2 Lottery.

3 (D) Games played with cards in private homes or residences,
4 in which no person makes money for operating the game, except
5 as a player.

6 (f) This subdivision is intended to be dispositive of the law
7 relating to the collection of player fees in gambling
8 establishments. A fee may not be calculated as a fraction or
9 percentage of wagers made or winnings earned. The amount of
10 fees charged for all wagers shall be determined prior to the start
11 of play of any hand or round. However, the gambling
12 establishment may waive collection of the fee or portion of the
13 fee in any hand or round of play after the hand or round has
14 begun pursuant to the published rules of the game and the notice
15 provided to the public. The actual collection of the fee may occur
16 before or after the start of play. Ample notice shall be provided to
17 the patrons of gambling establishments relating to the assessment
18 of fees. Flat fees on each wager may be assessed at different
19 collection rates, but no more than ~~three~~ *five* collection rates may
20 be established per table. However, if the gambling establishment
21 waives its collection fee, this fee does not constitute one of the
22 ~~three~~ *five* collection rates.